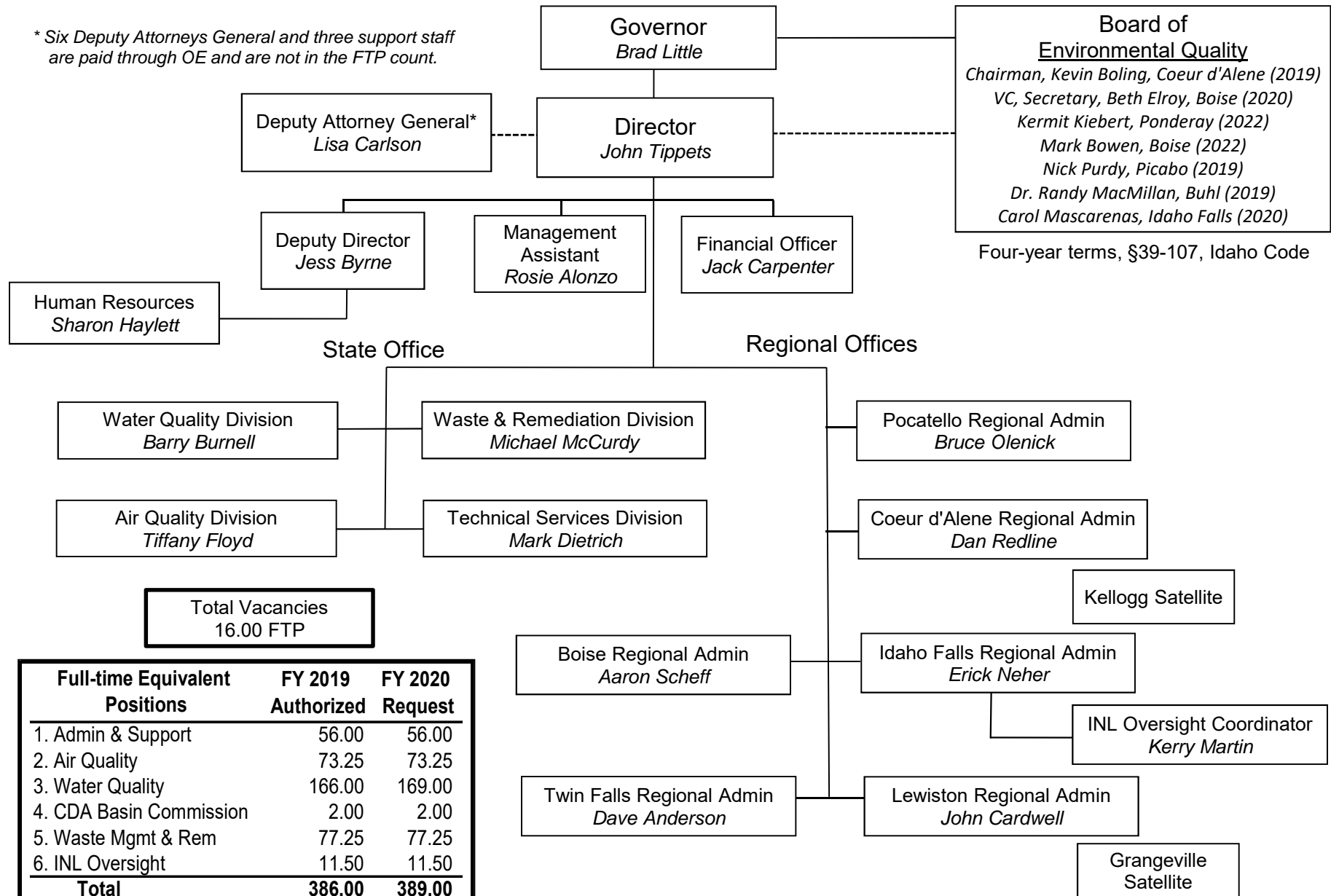


Department of Environmental Quality Organizational Chart

Analyst: Sepich

* Six Deputy Attorneys General and three support staff are paid through OE and are not in the FTP count.



Environmental Quality, Department of

Analyst: Sepich

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2018 Original Appropriation								
	0225-03	Gen	157.15	14,938,100	2,991,200	378,700	1,313,100	0	19,621,100
	0185-00	Ded	0.00	0	212,000	68,000	0	0	280,000
	0186-00	Ded	19.80	1,476,600	181,300	17,600	40,000	0	1,715,500
	0191-00	Ded	18.60	1,466,700	550,700	17,600	0	0	2,035,000
	0200-00	Ded	5.50	724,600	355,800	1,500	158,200	0	1,240,100
	0201-01	Ded	0.50	30,000	76,600	0	150,500	0	257,100
	0201-02	Ded	3.25	235,300	483,600	0	0	0	718,900
	0225-05	Ded	22.70	1,870,100	1,966,400	8,500	103,400	0	3,948,400
	0226-00	Ded	4.00	285,800	54,200	0	0	0	340,000
	0511-00	Ded	0.45	47,100	932,400	0	300,000	0	1,279,500
	0225-02	Fed	150.05	11,984,600	18,738,000	154,700	5,587,000	0	36,464,300
	Totals:		382.00	33,058,900	26,542,200	646,600	7,652,200	0	67,899,900

1.00	FY 2018 Total Appropriation								
	0225-03	Gen	157.15	14,938,100	2,991,200	378,700	1,313,100	0	19,621,100
	0185-00	Ded	0.00	0	212,000	68,000	0	0	280,000
	0186-00	Ded	19.80	1,476,600	181,300	17,600	40,000	0	1,715,500
	0191-00	Ded	18.60	1,466,700	550,700	17,600	0	0	2,035,000
	0200-00	Ded	5.50	724,600	355,800	1,500	158,200	0	1,240,100
	0201-01	Ded	0.50	30,000	76,600	0	150,500	0	257,100
	0201-02	Ded	3.25	235,300	483,600	0	0	0	718,900
	0225-05	Ded	22.70	1,870,100	1,966,400	8,500	103,400	0	3,948,400
	0226-00	Ded	4.00	285,800	54,200	0	0	0	340,000
	0511-00	Ded	0.45	47,100	932,400	0	300,000	0	1,279,500
	0225-02	Fed	150.05	11,984,600	18,738,000	154,700	5,587,000	0	36,464,300
	Totals:		382.00	33,058,900	26,542,200	646,600	7,652,200	0	67,899,900

1.21 Net Object Transfer

0225-03	Gen	0.00	0	565,800	0	(565,800)	0	0
0186-00	Ded	0.00	0	0	1,900	(1,900)	0	0
0201-01	Ded	0.00	0	7,100	0	(7,100)	0	0
0201-02	Ded	0.00	(73,000)	73,000	0	0	0	0
0225-05	Ded	0.00	0	(296,300)	16,600	279,700	0	0
0225-02	Fed	0.00	0	(1,779,200)	133,700	1,645,500	0	0
Totals:		0.00	(73,000)	(1,429,600)	152,200	1,350,400	0	0

1.31 Net Transfer Between Programs

0225-03	Gen	0.00	0	0	0	0	0	0
0201-02	Ded	0.00	0	0	0	0	0	0
0225-05	Ded	0.00	0	0	0	0	0	0
0225-02	Fed	0.00	0	0	0	0	0	0
Totals:		0.00	0	0	0	0	0	0

1.41 Receipt to Appropriation

0225-05	Ded	0.00	0	0	15,900	0	0	15,900
Totals:		0.00	0	0	15,900	0	0	15,900

Environmental Quality, Department of

Analyst: Sepich

FY 2018 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
1.61	Reverted Appropriation							
0225-03	Gen	0.00	0	0	0	0	0	0
0185-00	Ded	0.00	0	(600)	(2,500)	0	0	(3,100)
0186-00	Ded	0.00	(128,200)	(82,700)	(12,400)	(37,300)	0	(260,600)
0191-00	Ded	0.00	0	0	(13,000)	0	0	(13,000)
0200-00	Ded	0.00	0	0	0	0	0	0
0201-01	Ded	0.00	(4,200)	0	0	(143,400)	0	(147,600)
0201-02	Ded	0.00	(66,300)	(56,300)	0	0	0	(122,600)
0225-05	Ded	0.00	(306,000)	(1,045,300)	(3,600)	(36,500)	0	(1,391,400)
0226-00	Ded	0.00	(214,900)	(50,300)	0	0	0	(265,200)
0511-00	Ded	0.00	(34,300)	(200,200)	0	(300,000)	0	(534,500)
0225-02	Fed	0.00	(1,806,800)	(11,306,400)	(202,900)	(629,100)	0	(13,945,200)
Totals:		0.00	(2,560,700)	(12,741,800)	(234,400)	(1,146,300)	0	(16,683,200)
1.71	Current Year Reappropriation							
0225-05	Ded	0.00	0	0	0	(250,900)	0	(250,900)
Totals:		0.00	0	0	0	(250,900)	0	(250,900)
1.91	Other Adjustment							
0225-03	Gen	0.00	0	(202,600)	(48,300)	250,900	0	0
0186-00	Ded	0.00	0	0	0	(800)	0	(800)
0225-05	Ded	0.00	0	251,000	2,800	800	0	254,600
0225-02	Fed	0.00	0	(48,400)	45,500	(250,900)	0	(253,800)
Totals:		0.00	0	0	0	0	0	0

Environmental Quality, Department of

Analyst: Sepich

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
2.00	FY 2018 Actual Expenditures								
	0225-03	Gen	157.15	14,938,100	3,354,400	330,400	998,200	0	19,621,100
	Department of Environmental Quality (General)			14,938,100	3,354,400	330,400	998,200	0	19,621,100
	0185-00	Ded	0.00	0	211,400	65,500	0	0	276,900
	Hazardous Waste Emergency			0	211,400	65,500	0	0	276,900
	0186-00	Ded	19.80	1,348,400	98,600	7,100	0	0	1,454,100
	Air Quality Permitting			1,348,400	98,600	7,100	0	0	1,454,100
	0191-00	Ded	18.60	1,466,700	550,700	4,600	0	0	2,022,000
	Public Water System Supervision			1,466,700	550,700	4,600	0	0	2,022,000
	0200-00	Ded	5.50	724,600	355,800	1,500	158,200	0	1,240,100
	Water Pollution Control			724,600	355,800	1,500	158,200	0	1,240,100
	0201-01	Ded	0.50	25,800	83,700	0	0	0	109,500
	Environmental Remediation (Box)			25,800	83,700	0	0	0	109,500
	0201-02	Ded	3.25	96,000	500,300	0	0	0	596,300
	Environmental Remediation (Basin)			96,000	500,300	0	0	0	596,300
	0225-05	Ded	22.70	1,564,100	875,800	40,200	96,500	0	2,576,600
	Department of Environmental Quality (Receipts)			1,564,100	875,800	40,200	96,500	0	2,576,600
	0226-00	Ded	4.00	70,900	3,900	0	0	0	74,800
	Idaho Underground Storage Tank Program			70,900	3,900	0	0	0	74,800
	0511-00	Ded	0.45	12,800	732,200	0	0	0	745,000
	Bunker Hill Trust			12,800	732,200	0	0	0	745,000
	0225-02	Fed	150.05	10,177,800	5,604,000	131,000	6,352,500	0	22,265,300
	Department of Environmental Quality (Federal)			10,177,800	5,604,000	131,000	6,352,500	0	22,265,300
	Totals:		382.00	30,425,200	12,370,800	580,300	7,605,400	0	50,981,700

Environmental Quality, Department of

Analyst: Sepich

FY 2018 Actual Expenditures by Division

	FTP	PC	OE	CO	T/B	LS	Total
Difference: Actual Expenditures minus Total Appropriation							
0225-03 Gen		0	363,200	(48,300)	(314,900)	0	0
Department of Environmental Quality (General)		0.0%	12.1%	(12.8%)	(24.0%)	N/A	0.0%
0185-00 Ded		0	(600)	(2,500)	0	0	(3,100)
Hazardous Waste Emergency		N/A	(0.3%)	(3.7%)	N/A	N/A	(1.1%)
0186-00 Ded		(128,200)	(82,700)	(10,500)	(40,000)	0	(261,400)
Air Quality Permitting		(8.7%)	(45.6%)	(59.7%)	(100.0%)	N/A	(15.2%)
0191-00 Ded		0	0	(13,000)	0	0	(13,000)
Public Water System Supervision		0.0%	0.0%	(73.9%)	N/A	N/A	(0.6%)
0200-00 Ded		0	0	0	0	0	0
Water Pollution Control		0.0%	0.0%	0.0%	0.0%	N/A	0.0%
0201-01 Ded		(4,200)	7,100	0	(150,500)	0	(147,600)
Environmental Remediation (Box)		(14.0%)	9.3%	N/A	(100.0%)	N/A	(57.4%)
0201-02 Ded		(139,300)	16,700	0	0	0	(122,600)
Environmental Remediation (Basin)		(59.2%)	3.5%	N/A	N/A	N/A	(17.1%)
0225-05 Ded		(306,000)	(1,090,600)	31,700	(6,900)	0	(1,371,800)
Department of Environmental Quality (Receipts)		(16.4%)	(55.5%)	372.9%	(6.7%)	N/A	(34.7%)
0226-00 Ded		(214,900)	(50,300)	0	0	0	(265,200)
Idaho Underground Storage Tank Program		(75.2%)	(92.8%)	N/A	N/A	N/A	(78.0%)
0511-00 Ded		(34,300)	(200,200)	0	(300,000)	0	(534,500)
Bunker Hill Trust		(72.8%)	(21.5%)	N/A	(100.0%)	N/A	(41.8%)
0225-02 Fed		(1,806,800)	(13,134,000)	(23,700)	765,500	0	(14,199,000)
Department of Environmental Quality (Federal)		(15.1%)	(70.1%)	(15.3%)	13.7%	N/A	(38.9%)
Difference From Total Approp		(2,633,700)	(14,171,400)	(66,300)	(46,800)	0	(16,918,200)
Percent Diff From Total Approp		(8.0%)	(53.4%)	(10.3%)	(0.6%)	N/A	(24.9%)

Department of Environmental Quality

FY 2019 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	382.00	19,621,100	11,814,500	36,464,300	67,899,900
FY 2018 Total Appropriation	382.00	19,621,100	11,814,500	36,464,300	67,899,900
FY 2018 Estimated Expenditures	382.00	19,621,100	11,814,500	36,464,300	67,899,900
Removal of Onetime Expenditures	0.00	(402,500)	(343,900)	(196,100)	(942,500)
Base Adjustments	0.00	0	0	(7,500,000)	(7,500,000)
FY 2019 Base	382.00	19,218,600	11,470,600	28,768,200	59,457,400
Benefit Costs	0.00	(240,600)	(102,000)	(193,100)	(535,700)
Replacement Items	0.00	272,700	50,600	297,300	620,600
Statewide Cost Allocation	0.00	98,800	(4,600)	(4,700)	89,500
Change in Employee Compensation	0.00	396,600	151,900	293,800	842,300
FY 2019 Program Maintenance	382.00	19,746,100	11,566,500	29,161,500	60,474,100
Line Items					
1. Idaho Pollutant Discharge Elimination	4.00	665,600	0	(119,600)	546,000
2. Volkswagen Settlement	0.00	0	5,500,000	0	5,500,000
3. Environmental Remediation Match	0.00	0	1,100	(101,100)	(100,000)
4. Cash Transfer WPCF to Env Remed	0.00	0	1,500,000	0	1,500,000
5. Water Quality Monitoring	0.00	0	200,000	0	200,000
6. Lakes Commission Participation (S126	0.00	50,000	0	0	50,000
7. Additional TMDL Funding	0.00	0	290,000	0	290,000
Cash Transfer WPCF to Env Remed	0.00	0	(1,500,000)	0	(1,500,000)
Budget Law Exemptions	0.00	0	0	0	0
FY 2019 Original Appropriation	386.00	20,461,700	17,557,600	28,940,800	66,960,100
Chg from FY 2018 Orig Approp.	4.00	840,600	5,743,100	(7,523,500)	(939,800)
% Chg from FY 2018 Orig Approp.	1.0%	4.3%	48.6%	(20.6%)	(1.4%)

SECTION 4. REMEDIATION PROJECT REPORTING

REQUIREMENTS. It is the intent of the Legislature that moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, Legislature, and Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

SECTION 6. AGRICULTURAL BEST MANAGEMENT PRACTICES. It is the intent of the Legislature that \$500,000 of the ongoing General Fund moneys appropriated to the Water Quality Program for trustee and benefit payments in Section 1 of this act be used for a statewide grant program to support implementation of agricultural Best Management Practices (BMPs) in high-priority watersheds throughout Idaho. The department is to administer this funding through existing BMP grant procedures and personnel. Funding is to be used by farmers and ranchers to modify their agricultural practices in order to improve water quality and help meet the objectives of Total Maximum Daily Loads (TMDLs).

Department of Environmental Quality

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2018 Total App	FY 2018 Actual	FY 2019 Approp	FY 2020 Request	FY 2020 Gov Rec
BY PROGRAM					
Administration and Support	8,544,700	8,172,900	8,668,500	9,066,600	9,026,800
Air Quality	8,741,100	7,682,700	14,726,500	14,758,900	14,798,800
Water Quality	21,740,700	20,493,700	22,724,200	23,215,900	23,349,200
CDA Basin Commission	524,700	189,100	526,200	528,600	530,400
Waste Mgmt and Remediation	26,187,500	13,053,900	18,145,700	18,130,900	18,189,200
INL Oversight	2,161,200	1,389,400	2,169,000	2,162,200	2,169,700
Total:	67,899,900	50,981,700	66,960,100	67,863,100	68,064,100
BY FUND CATEGORY					
General	19,621,100	19,621,100	20,461,700	22,365,500	22,465,400
Dedicated	11,814,500	9,095,300	17,557,600	16,712,700	16,799,700
Federal	36,464,300	22,265,300	28,940,800	28,784,900	28,799,000
Total:	67,899,900	50,981,700	66,960,100	67,863,100	68,064,100
Percent Change:		(24.9%)	31.3%	1.3%	1.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	33,058,900	30,425,200	33,682,500	34,604,100	34,901,100
Operating Expenditures	26,542,200	12,370,800	24,725,300	25,184,900	25,156,900
Capital Outlay	646,600	580,300	560,100	525,100	457,100
Trustee/Benefit	7,652,200	7,605,400	7,992,200	7,549,000	7,549,000
Total:	67,899,900	50,981,700	66,960,100	67,863,100	68,064,100
Full-Time Positions (FTP)	382.00	382.00	386.00	389.00	389.00

Department Description

The Legislature created the Department of Environmental Quality (DEQ) in the public's interest, "to protect human health and the environment as its sole mission" (Section 39-102A, Idaho Code). The department is organized into six budgetary programs.

Administration and Support Services develops policies, legislation, and rules for permitting and regulatory programs; promotes public understanding of environmental issues and solicits public input; assesses program effectiveness in improving water and air quality; and services DEQ internal support needs.

The Air Quality Program addresses compliance with federal and state health-based air quality standards by monitoring air quality and collecting data; developing and issuing permits; and coordinating air quality improvement efforts made by communities, citizen groups, businesses, industries, and governmental agencies.

The Water Quality Program develops strategies to prevent, protect, and remediate areas from pollution so as to maintain or improve water quality. The program protects human health and biological integrity through watershed, drinking water, ground water, waste water, and grant and loan activities.

The Coeur d'Alene Basin Project Commission (Section 39-8104, Idaho Code) coordinates natural resource restoration to address heavy metal contamination caused from upstream mining operations.

Waste Management and Remediation is responsible for ensuring that solid wastes are managed and disposed of in a manner protective of human health and the environment. The program responds to existing releases of hazardous substances and works with active mines to ensure that best management practices are followed.

The primary responsibility of the Idaho National Laboratory (INL) Oversight Program is to independently monitor INL operations and document transportation of radiological materials along transportation corridors. The objective is to protect Idaho's land, air, water, wildlife, and public health from nuclear releases.

Department of Environmental Quality

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2019 Original Appropriation	386.00	20,461,700	66,960,100	386.00	20,461,700	66,960,100
Reappropriation	0.00	0	250,900	0.00	0	250,900
FY 2019 Total Appropriation	386.00	20,461,700	67,211,000	386.00	20,461,700	67,211,000
Removal of Onetime Expenditures	0.00	(437,800)	(1,326,600)	0.00	(437,800)	(1,326,600)
FY 2020 Base	386.00	20,023,900	65,884,400	386.00	20,023,900	65,884,400
Benefit Costs	0.00	56,500	123,600	0.00	(69,600)	(154,200)
Replacement Items	0.00	440,100	605,300	0.00	310,700	475,900
Statewide Cost Allocation	0.00	206,600	240,700	0.00	206,600	240,700
Change in Employee Compensation	0.00	133,600	292,900	0.00	472,900	854,300
FY 2020 Program Maintenance	386.00	20,860,700	67,146,900	386.00	20,944,500	67,301,100
1. IPDES Enhancements	3.00	300,000	756,700	3.00	303,300	757,300
2. Triumph Mine Remediation	0.00	0	1,500,000	0.00	0	1,500,000
3. BURP & LMP Fund Shift	0.00	1,037,600	(107,700)	0.00	1,050,400	(94,900)
4. Environmental Remediation Match	0.00	0	(100,000)	0.00	0	(100,000)
5. Water Quality Monitoring - Arsenic	0.00	167,200	167,200	0.00	167,200	167,200
GOV TECH 1. Network Equip Replacement	0.00	0	0	0.00	0	33,400
Cash Transfers	0.00	0	(1,500,000)	0.00	0	(1,500,000)
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2020 Total	389.00	22,365,500	67,863,100	389.00	22,465,400	68,064,100
Change from Original Appropriation	3.00	1,903,800	903,000	3.00	2,003,700	1,104,000
% Change from Original Appropriation		9.3%	1.3%		9.8%	1.6%

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Original Appropriation					
	386.00	20,461,700	17,557,600	28,940,800	66,960,100

Reappropriation

The department was authorized through S1360 of 2018 to reappropriate and carryover its unencumbered and unexpended General Fund appropriation balance for Agricultural Best Management Practices from FY 2018 into FY 2019. Carryover required legislative approval, and is removed as a onetime expenditure before calculating the next year's base. While the funding was originally appropriated from the General Fund, it was transferred to the department's dedicated fund to be expended in FY 2018. This line item shows the funding as part of the dedicated fund for tracking purposes and for reconciling total statewide General Fund expenditures, although the General Fund is still the source of funding.

Agency Request	0.00	0	250,900	0	250,900
Governor's Recommendation	0.00	0	250,900	0	250,900

FY 2019 Total Appropriation					
Agency Request	386.00	20,461,700	17,808,500	28,940,800	67,211,000
Governor's Recommendation	386.00	20,461,700	17,808,500	28,940,800	67,211,000

Removal of Onetime Expenditures

This adjustment removes amounts for replacement items, legislative carryover, and line items funded on a onetime basis in FY 2019.

Agency Request	0.00	(437,800)	(591,500)	(297,300)	(1,326,600)
Governor's Recommendation	0.00	(437,800)	(591,500)	(297,300)	(1,326,600)

FY 2020 Base					
Agency Request	386.00	20,023,900	17,217,000	28,643,500	65,884,400
Governor's Recommendation	386.00	20,023,900	17,217,000	28,643,500	65,884,400

Benefit Costs

Employer-paid benefit changes include a 5.5% increase for PERSI regular retirement and adjustments to workers' compensation that vary by agency. Agencies were directed to budget \$11,650 per eligible FTP for health insurance, which is the same amount in the current fiscal year.

Agency Request	0.00	56,500	23,400	43,700	123,600
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The Governor recommends \$11,020 per eligible FTP for health insurance, which is a decrease of \$630, or 5.4%, from the previous year; a temporary rate reduction for agencies that pay the Division of Human Resources for its services; and the PERSI Board's decision to increase the employer contribution by 5.5%.

Governor's Recommendation	0.00	(69,600)	(30,300)	(54,300)	(154,200)
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Replacement Items

Replacement items include \$108,600 for 104 computers, \$163,400 for network equipment and software, \$110,600 for three light trucks, \$50,100 for a boat with trailer, and \$172,600 to replace various specific use scientific instruments, for a total of \$605,300. [Onetime]

Agency Request	0.00	440,100	16,800	148,400	605,300
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The Governor does not recommend Windows Server licenses (\$29,000), 26 computers (\$21,800), Cisco LAN switches (\$22,000), replacement backup tapes at the State Controller's Office (\$40,000), and two multi-parameter water sensors (\$16,600).

Governor's Recommendation	0.00	310,700	16,800	148,400	475,900
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Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$167,300, risk management costs will increase by \$39,100, State Controller fees will increase by \$20,300, and State Treasurer fees will increase by \$400, for a net increase of \$227,100.

This request also includes \$13,600 for Department of Administration managed rental rate increases. H544 of 2018 amended Section 67-5709, Idaho Code, to address long-term maintenance for state-occupied buildings, and requires long-term maintenance costs to be included when calculating rental rates for tenants in department-managed facilities. The Permanent Building Fund Advisory Council voted on June 5, 2018, to increase rental rates by a total of 16.6% for those agencies in the Capitol Mall and state owned buildings in Lewiston and Idaho Falls. The increase will be used to address deferred maintenance costs associated with the Capitol Mall, which total approximately \$22.2 million dollars. If funded, this year's increase will collect \$1,237,441 in FY 2020. There may be subsequent increases to address deferred maintenance in the future. The increase specific to this agency is 20.9%.

Agency Request	0.00	206,600	8,400	25,700	240,700
Governor's Recommendation	0.00	206,600	8,400	25,700	240,700

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	133,600	55,200	104,100	292,900
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 2% and includes \$1,100 for that purpose. The Governor also recommends a General Fund shift of \$82,700 for increases in employee compensation that cannot be covered by federal grants.

Governor's Recommendation	0.00	472,900	161,900	219,500	854,300
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FY 2020 Program Maintenance

Agency Request	386.00	20,860,700	17,320,800	28,965,400	67,146,900
Governor's Recommendation	386.00	20,944,500	17,373,800	28,982,800	67,301,100

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. IPDES Enhancements

Administration and Support Services, Water Quality

The department requests 3.00 FTP, \$300,000 from the General Fund, \$537,200 from license fees, and a reduction of \$80,500 in federal funds, for a total of \$756,700 to continue development for the Idaho Pollution Discharge Elimination System (IPDES). Receipts of permit and license fees are anticipated to begin being deposited into the dedicated fund beginning in October 2019. In the Administration and Support Program, this request is comprised of a fund shift of \$80,500 from federal funds to the General Fund and an increase of \$278,000 in license fees. In the Water Quality Program, this line item adds 3.00 FTP and \$478,700, of which \$219,500 is onetime from the General Fund. Of this onetime funding, \$200,000 in operating expenditures would provide for contracted database work through a state contract, and \$19,500 in capital outlay would purchase office and monitoring equipment. The three new staff would be inspectors, based in the Boise regional area to review and determine facility compliance. An inspector supervisor would be hired at a pay grade of N with an hourly rate of \$32.00, and the other two inspectors would be hired at a pay grade of M with an hourly rate of \$26.82.

H406 of 2014 directed DEQ to develop a National Pollutant Discharge Elimination System (NPDES) primacy delegation application. On June 5, 2018, Idaho became the 47th state to receive primacy to implement the NPDES from the U.S. Environmental Protection Agency (EPA). One of the requirements of assuming primacy is that the state must fully implement the program, with the expectation of the program requiring 29 positions and a \$3.1 million budget at full build out. Last year, the Legislature approved 4.00 FTP to bring the total staff allocation to 23.00 for FY 2019 (counting the 3.00 positions funded in FY 2015, the 3.00 funded in FY 2016, the 4.00 funded in FY 2017, and the 9.00 funded in FY 2018). [\$219,500 Onetime]

Agency Request	3.00	300,000	537,200	(80,500)	756,700
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Recommended by the Governor with changes for benefits and compensation. The Governor also recommends shifting 1.00 FTP from federal funds to the General Fund, for a net of zero.

Governor's Recommendation	3.00	303,300	537,800	(83,800)	757,300
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2. Triumph Mine Remediation

Waste Management and Remediation

The department requests a onetime transfer of \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation (Triumph Mine) Fund to provide for remediation at the Triumph Mine. The department annually requests a transfer of \$1.5 million to build a balance in the Environmental Remediation (Basin) Fund to act as the state's 10% match to Superfund cleanup projects in the Coeur d'Alene Basin, and to pay the majority of the operating costs to maintain those projects. For FY 2020, however, the department requests temporarily delaying the Basin Fund transfer and instead utilizing this funding for the Triumph Mine. In order to avoid a Superfund site declaration in the Wood River Valley, the U.S. Environmental Protection Agency (EPA) signed a memorandum of understanding in 1994 with the Idaho Department of Lands (IDL) and the Idaho Department of Environmental Quality (DEQ) to remove contaminants, maintain operations, and inspect the property. The original remediation actions began in 1998 and finished in 2004, including removing contaminated soil and tailings, installation of a plug 1,175 feet inside the mine to prevent discharge of mine-contaminated water, piping contaminated water to settling ponds, and installing a second plug 235 feet inside the mine. After the mine owner (Asarco Mining Company) filed for bankruptcy in 2005, the remediation and continued inspections of the mine fell directly to IDL and DEQ. An inspection on June 12, 2018 found a collapsed tunnel wall 135 feet from the entrance, causing mine contaminated water to pool, and creating the potential for contaminants to flow approximately 500 feet to the East Fork of the Big Wood River. The Idaho Conservation League (ICL) had filed a notice of intent to sue, expressing ICL's view that both DEQ and IDL would require a National Pollutant Discharge Elimination System (NPDES) permit (as required by Section 301 of the Clean Water Act) due to the potential for contaminant discharge into the river.

Of the original \$1,675,000 paid to DEQ by Asarco, approximately \$270,000 remains, which the department argues would not be enough to cover the additional remediation actions, five year reviews, and long term maintenance of the mine. This funding, if approved, would provide for the total estimated ten year costs including: remediation in the first year (\$185,000); ongoing operation and maintenance (\$615,500); reviews every five years (\$35,000); and a contingency of \$660,000 in the event additional needs develop. [Onetime]

Agency Request	0.00	0	1,500,000	0	1,500,000
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Governor's Recommendation	0.00	0	1,500,000	0	1,500,000
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Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. BURP & LMP Fund Shift					Water Quality

The department requests \$1,037,600 from the General Fund to shift costs associated with the Beneficial Use Reconnaissance Program (BURP) and the Coeur d'Alene Lake Management Plan (LMP) off of the Water Pollution Control Fund (WPCF). The department forecasts that with an additional \$1.8 million in federal match requirements beginning in FY 2019, the fund balance will not be able to sustain the programs as currently allocated. The WPCF annually receives \$4.8 million from state sales tax, which is its primary source of revenue. This fund's main use is a 20% match to federal capitalization grants through State Revolving Fund (SRF) Programs such as the Drinking Water SRF (\$2.3 million) and the Clean Water SRF (\$1.6 million). It also currently provides for the Bunker Hill Remediation match (\$1.5 million), \$200,000 appropriated in FY 2019 for ongoing water quality monitoring, and both BURP and LMP (\$1.2 million), for a total obligation of \$6.8 million. Due to reversions and fund balances, the WPCF has been able to sustain expenditures in excess of revenues, however the FY 2020 beginning balance in the account is estimated to shrink to \$600,000 compared to \$2.4 million in FY 2019. The recent federal budget authorized by Congress included an additional \$4.4 billion nationwide over the next three years for SRF programs, increasing funding available to Idaho provided the additional match requirements are met. This request also includes a reduction of \$1,145,300 in the WPCF for a net decrease of \$107,700 for all funds.

Pursuant to Section 39-3630, Idaho Code, the WPCF is continuously appropriated to provide matching funds for federal drinking water and clean water capitalization grants, such as the SRF programs for drinking water and wastewater. In the past, language has been included in the department's appropriation bill to allow for the WPCF to be used outside of Section 39-3630, Idaho Code, as the General Fund was negatively impacted during the Great Recession. The WPCF was placed on budget for three uses: BURP (since FY 2010); the LMP (since FY 2009); and for transfers to the Environmental Remediation Fund for remediation projects in the Coeur d'Alene Basin (since FY 2005). BURP was initially funded through the General Fund in 1995, but was defunded for two years beginning in 2009, with onetime moneys provided in FY 2012, and was eventually fully funded from fund surpluses in the WPCF in FY 2013. This program provides the department with baseline data on water quality throughout Idaho, and is the primary data set used to compile federal reports showing the impacts of water quality projects. Each year the department's permanent BURP staff (2.56 FTP) oversee 21 temporary employees who are hired during the summer to collect aquatic insects, conduct fish surveys, measure water chemistry, and document habitat conditions in streams, rivers, and lakes across the state. The LMP was originally requested from the General Fund in FY 2010 as an alternative to managing Coeur d'Alene Lake as part of the Basin Superfund site, however, due to the recession, was also put on the WPCF. As the WPCF is continuously appropriated for use as a match to federal grants, appropriation removed in this line item would not affect the capacity for the department to carry out SRF projects and loans. [\$1,700 Onetime]

Agency Request	0.00	1,037,600	(1,145,300)	0	(107,700)
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Recommended by the Governor with changes for benefits and compensation. The Governor also recommends shifting 4.50 FTP from the Water Pollution Control Fund to the General Fund, for a net change of zero.

Governor's Recommendation	0.00	1,050,400	(1,145,300)	0	(94,900)
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Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Environmental Remediation Match		Waste Management and Remediation			
This request is in two parts: 1) a reduction of \$100,000 in the Waste Remediation Program from federal funds; and 2) a shift of \$100,000 from operating expenditures to personnel costs within the Environmental Remediation (Basin) Fund. This request will be used to fund staff salaries working on match eligible projects. As federal funding for this work continues to decrease, using money from the Environmental Remediation (Basin) Fund for staff time will help Idaho meet its match obligations and will ensure that the department maintains a local presence in Kellogg. The net impact is a reduction of \$100,000 in federal funds.					
The state of Idaho is responsible for paying the 10% match requirement for project costs, and the vast majority of operation and maintenance (OM) costs for the Coeur d'Alene Basin (Operable Unit 3). Operable Unit 3 includes areas contaminated from mining in the Coeur d'Alene Basin that are outside of the Bunker Hill "Box," which is the 21-square-mile area surrounding the former smelter complex that was located in Kellogg. Operable Unit 3 consists primarily of the floodplain and river corridor of the Coeur d'Alene River, Lake Coeur d'Alene, the Spokane River, and those areas where mine wastes have come to be located because of flooding transport and deposition, their use for road building, or use for fill and construction of residential or commercial properties. The match requirement for Operable Unit 3 is estimated to be \$9.5 million. The department has already funded remedial projects and personnel to meet the match obligations in the amount of \$3.2 million. That leaves a remainder of just over \$6.3 million dollars in match requirements. The Environmental Remediation (Basin) Fund was created in FY 2006 to meet state match and OM obligations for Operable Unit 3, and is funded by an annual transfer of \$1.5 million from the Water Pollution Control Fund. The estimated outstanding obligation for OM into perpetuity is estimated at over \$60 million in current dollars.					
Agency Request	0.00	0	0	(100,000)	(100,000)
Recommended by the Governor with changes for benefits and compensation. The Governor also recommends shifting 1.00 FTP from federal funds to the Environmental Remediation (Box) Fund, for a net change of zero.					
Governor's Recommendation	0.00	0	0	(100,000)	(100,000)
5. Water Quality Monitoring - Arsenic		Water Quality			
The department requests \$167,200 ongoing from the General Fund for at least three years to provide testing for naturally occurring background levels of arsenic. In 2010, Idaho adopted the 10 microgram per liter numeric criteria for inorganic arsenic in water quality standards, and this funding would provide background testing to provide a benchmark of what is naturally occurring and what is human caused in a given waterway. Arsenic is a common element in the earth's crust, and is generally released in Idaho through geothermal activity and weathering of volcanic rocks and soils into waterways. The U.S. Environmental Protection Agency (EPA) establishes safe arsenic criteria for fish-only consumption, and fish and water combined consumption under the Safe Drinking Water Act. A statewide assessment of 34 major rivers was conducted in 2006 and 2008, with only two rivers passing the fish-only criteria, and no rivers passing the fish and water combined consumption levels set by the EPA.					
Since the ambient water quality criteria established nationally are below natural background concentrations in Idaho, the department would complete 40 samples of both water and fish natural levels to provide a benchmark on natural levels. Not having these benchmarks established could result in waterways being targeted for Total Maximum Daily Loads (TMDL) projects despite having no proven human contributions of arsenic in the water. Further, dischargers regulated under the Clean Water Act may be required to remove more arsenic from waterways than they are discharging. This ongoing funding is anticipated to last for three years to provide both statewide probabilistic monitoring of water and fish combined samples, and targeted watershed monitoring programs. Funding for all three years is expected to total \$501,600, with the anticipation of removing the funding after three years. Of this request, \$9,200 is in personnel costs, and would provide for two temporary positions to carry out testing during the summer. The remainder of this request would provide for travel, per diem, contracted laboratory expenses, and sampling equipment. An existing full-time water quality analyst in the department would be reassigned to support these temporary positions.					
Agency Request	0.00	167,200	0	0	167,200
Governor's Recommendation	0.00	167,200	0	0	167,200

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
GOV TECH 1. Network Equip Replacement					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends onetime funding for the replacement of the state's core network equipment and this amount reflects this agency's share of that cost.</i>					
Governor's Recommendation	0.00	0	33,400	0	33,400

Cash Transfers

Waste Management and Remediation

The following language reflects the cash transfers as requested. If approved, the language below will be included in the appropriation bill.

CASH TRANSFER. There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund, through installments or as practicable for the period July 1, 2019, through June 30, 2020 for Triumph Mine remediation.

Agency Request	0.00	0	(1,500,000)	0	(1,500,000)
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	(1,500,000)	0	(1,500,000)

Budget Law Exemptions

Water Quality, Waste Management and Remediation

The department requests the following language be included in its FY 2020 appropriation bill:

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balances appropriated to the Department of Environmental Quality from the General Fund for Agricultural Best Management Practices for fiscal year 2019, in an amount not to exceed \$500,000, to be used for nonrecurring expenditures related to Agricultural Best Management Practices for the period July 1, 2019, through June 30, 2020.

REMEDIATION PROJECT REPORTING REQUIREMENTS. Moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

USES OF THE WATER POLLUTION CONTROL FUND. The appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2020 Total

Agency Request	389.00	22,365,500	16,712,700	28,784,900	67,863,100
Governor's Recommendation	389.00	22,465,400	16,799,700	28,799,000	68,064,100

Agency Request

Change from Original App	3.00	1,903,800	(844,900)	(155,900)	903,000
% Change from Original App	0.8%	9.3%	(4.8%)	(0.5%)	1.3%

Governor's Recommendation

Change from Original App	3.00	2,003,700	(757,900)	(141,800)	1,104,000
% Change from Original App	0.8%	9.8%	(4.3%)	(0.5%)	1.6%

Department of Environmental Quality, Water Pollution Control Fund Analysis

Sources and Uses: Moneys are received from Idaho Sales Tax revenues and interest. Moneys are transferred to the Revolving Loan funds to be used as match on the federal capitalization grants. Moneys are also transferred to Environmental Remediation - Basin Fund for the 10% required Superfund match.

FUND NAME:	Water Pollution Control Fund	FUND CODE: 0200	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Beginning Free Fund Balance			2,252,000	2,532,700	2,445,400	2,593,700	556,200
Revenues (from interest)			4,400	10,200	29,900	8,800	16,300
Transfer from Sales Tax			4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Total Available for Year			7,056,400	7,342,900	7,275,300	7,402,500	5,372,500
Transfer out to Wastewater SRF (0529)			(972,600)	(905,000)	(894,800)	(1,600,000)	(1,600,000)
Transfer out to Drinking Water SRF (0532)			(1,157,400)	(1,262,400)	(1,248,200)	(2,300,000)	(2,300,000)
Transfer out to Environmental Remediation Fund (0201)			(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Original Appropriation			(1,189,100)	(1,237,500)	(1,240,100)	(1,446,300)	(1,456,200)
Reversions			295,400	7,400	201,500	0	0
Cash Expenditures			(893,700)	(1,230,100)	(1,038,600)	(1,446,300)	(1,456,200)
Ending Free Fund Balance			2,532,700	2,445,400	2,593,700	556,200	(1,483,700)

Department of Environmental Quality, FY 2020, Replacement Items

Replacement Items	Quantity in Stock	Average Mileage	Quantity Desired	Avg Unit Cost	Total Request
Automobiles And Light Trucks	90	131,559	3	\$37,250	\$110,600
Boat and Trailer	4		1	\$50,058	\$50,100
Computers	538		100	\$899	\$79,700
Other Specific Use Equipment	25		19	\$7,320	\$172,600
Server and Storage Equipment	37		8	\$11,834	\$62,000
Server And Storage Software	58		17	\$14,613	\$101,400
Software	458		100	\$230	\$23,000
Personal Computer Hardware			4	\$1,475	\$5,900
Grand Total	1,210		252		\$605,300

Fund Name	Total Request
Air Permitting Fees	\$3,400
Dedicated Receipts	\$6,700
Public Water System Supervision Fund	\$5,000
Water Pollution Control Fund	\$1,700
Federal Fund	\$148,400
General Fund	\$440,100
Grand Total	\$605,300